

From: Wayne Hedberg
To: Minerals
Date: 4/30/04 4:35PM
Subject: Phonecall - RE: Torrey Sandstone - M/055/016 (Transitional Surety update)

On April 29, 2004, I received a telephone call from Glenda Burningham of Star Stone Quarries (Lon Thomas employee). Glenda called to inform us of the status of their acquisition and filing of the required transitional reclamation bond for the Torrey Sandstone mine site (due April 30, 2004).

She stated that they have been working diligently for many months trying to find a surety company that would issue a corporate surety bond to them (with no luck). Only recently has she found 2 other surety companies (Medallion and Holmes) that might consider underwriting a bond for them. Financials are apparently under review currently.

She realizes that the clock has just about expired, but would appreciate another 30 days to see if either of these surety companies will work out. If not they will post a CD. She didn't mention what the status of the new LMO application was during our conversation that I believe is also due to be filed by April 30th.

I explained to her, that we have been down this road before and we have usually ended up with CD's being filed ultimately. I told her to file a written extension request before the due date (4/30/04), explaining the circumstances of their request and to include a contact and phone number of the bank they we can forward the draft CD documents to if necessary. She hoped to send something in by Thursday afternoon. I said we would review their extension request and advise her accordingly ASAP. As of 4:00 pm Friday afternoon we have not yet seen a reply.

Joelle - Please place a copy of this email note into the Torrey Sandstone mine file.

CC: Glenda Burningham; Mary Ann Wright